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S E C R E T SECTION 01 OF 02 STOCKHOLM 000764

SIPDIS

FOR ISN-JENNIFER CHALMERS

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TAGS: [PARM](#) [PREL](#) [EFIN](#) [KNNP](#) [IR](#) [IZ](#) [SY](#) [SW](#)

SUBJECT: SWEDISH MFA ON IRAN, SYRIA AND IRAQ

REF: A. STATE 115523

[1](#)B. STATE 115017

[1](#)C. STOCKHOLM 717

[1](#)D. STOCKHOLM 695

Classified By: Acting Deputy Chief of Mission Olivia Hilton for reasons 1.4 (b) and (d)

[1](#)1. (S) Summary: Robert Rydberg, Deputy Director-General and Head of the Department of Middle East and North Africa at the Swedish Ministry for Foreign Affairs (MFA), told Embossos that:

-- Sweden is fully committed to tightening any loopholes and implementing all UN sanctions on Iran. He added that the USG view of Sweden's opposition to autonomous EU sanctions might be based on what other countries have said about Sweden.

--Sweden has "expressed concern that EU sanctions not directly related to preventing Iran from acquiring nuclear technology might be counterproductive."

--Sweden's concern about levying a "cluster of additional sanctions" is not based on Swedish economic interests in Iran.

--If the USG can identify and show Sweden specific instances of nuclear and missile-related technology transactions, "Sweden's skepticism would decrease."

--Swedish diplomats report that the Syrians are serious about negotiations with the Israelis; Swedish diplomats also report that an additional round of discussions in Turkey is likely prior to the Israeli elections.

--Sweden plans to open an office in Erbil in the future.

End Summary.

[1](#)2. (S) On November 7, Political Counselor and Acting Economic Counselor shared Reftel A and B points with Robert Rydberg, Deputy Director-General and Head of the Department of Middle East and North Africa at the Swedish Ministry for Foreign Affairs (MFA). Rydberg commented that Sweden welcomed an exchange of views with the USG on enhanced scrutiny over the activities of Swedish financial institutions in their transactions with Iran. He noted that he would need to confer with colleagues before he could provide the full legal and logistical process for passing on Financial Action Task Force (FATF) warnings on UNSCR 1803. Rydberg promised to provide post with Sweden's official position once the consultations have been completed.

Uncomfortable Discussing Iran?

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¶3. (S) Rydberg stated Sweden is fully committed to tightening any loopholes and implementing all UN sanctions. He commented that a group of like-minded nations is currently discussing the possibility of levying additional EU sanctions, and that the USG view of Sweden's opposition to additional sanctions might be based on what other countries have said about Sweden. Note: From this point onward, the usually open and friendly Rydberg became noticeably tense, shifting in his seat and crossing his arms. End Note.

Not Opposed to the Will of the (Overwhelming) Majority  
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¶4. (S) Rydberg stated with great care and precision that it was "incorrect to say that Sweden is blocking or creating obstacles to a decision that an overwhelming majority of EU member states wants to make." He said the discussions are at a "difficult stage" and some in the EU are still "exploring possible options." Rydberg commented that Sweden has "expressed concern that EU sanctions not directly related to preventing Iran from acquiring nuclear technology might be counterproductive." Sanctions that impact ordinary economic activities "would allow Iranian hardliners to blame the West for Iran's own economic shortcomings."

Just Need Smarter Sticks and Carrots  
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¶5. (S) Sweden is very concerned about Iran's attempts to acquire nuclear technology and shares the U.S. analysis that

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Iran has not been forthcoming and open in its dealings with the West, continued Rydberg. He noted that Sweden also shares the U.S. analysis that Iran is pursuing a nuclear weapons program and that it has made progress. Rydberg opined that Iran could acquire nuclear weapons in a "short time frame" and that "time is therefore of the essence." Therefore, the West needs to strengthen both its "sticks and carrots" in an intelligent manner to achieve the desired effects and not be counterproductive to its goals. Asked whether Sweden had ideas on how to strengthen these sticks and carrots, Rydberg demurred, saying that the EU and the U.S. had the lead.

Trade Is Not/Not the Issue  
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¶6. (S) Without being asked, Rydberg assured Emboffs that Sweden's concern about levying a "cluster of additional sanctions" is not based on Swedish economic interests in Iran. "Swedish trade with Iran is going down," and Swedish companies are losing contracts to companies from other countries, including the U.S., Rydberg opined. Note: Swedish trade with Iran is up by 30 percent in the first six months of 2008 over the corresponding period in 2007. The Swedish Export Credits Guarantee board 2007 Annual Report said there has been a "greater demand for deliveries to the Middle East, above all to Iran" (Ref C). End Note.

Just Unsure Sanctions Ever Work (What is "Nuclear" Anyway?)  
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¶7. (S) Rydberg stated that "sanctions are not a panacea and do not produce short-term results," adding that they can take years to be effective. When Emboffs replied that in the short term, sanctions can effectively slow down Iran's nuclear and missile program, Rydberg replied that "Sweden would like to see an extensive definition of what constitutes a nuclear and missile-related technology transaction. If the USG can identify and show us specific instances of these transactions, that would convince us and Sweden's skepticism would decrease."

Syria-Lebanon: "A Positive Development"

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¶18. (S) Rydberg also commented that Syria's establishing diplomatic relations with Lebanon was "a positive development." He stated that Swedish diplomats report that the Syrians are serious about negotiations with the Israelis; Swedish diplomats also report that an additional round of discussions in Turkey is likely prior to the Israeli elections. Rydberg noted that Sweden believes the Syrians are waiting for the new U.S. administration before making any significant moves.

Iraq Issues  
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¶19. (S) Rydberg thanked the USG for providing quick and comprehensive information regarding the October death of Mohammed Moumou, a naturalized Swedish citizen of Moroccan origin, in a raid on an Al-Qaeda hideout in northern Iraq. He also mentioned that once Sweden has opened its embassy in Baghdad, Sweden will open some type of "representative office" in Erbil.

Comment  
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¶10. (S) Redbird's obvious discomfort with questions involving additional sanctions on Iran matches the behavior of our other interlocutors in recent weeks. Sweden's current trade with Iran, though increasing, is so low that we doubt it plays the determining role in thinking about sanctions. The issue of principle that all sanctions need a UN imprimatur is also less than absolute; Sweden supports EU autonomous sanctions when it wants to, such as on Burma. At this point, and absent any other explanation, Sweden's obstinance on Iran seems best explained by the assertion by Urban Ahlin, Vice Chairman of the Parliamentary Foreign Committee that Foreign Minister Bildt may be trying to "solve Iran" (Ref D).  
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